



## **Community Colleges – HB 2 Language**

**1. If the legislature uses the statutory funding formula to determine the state appropriation for the community colleges, the following language is required to be included in the general appropriations act (per 20-15-310(2)(b)):**

“The variable cost of education for each full-time equivalent student at the community colleges, including Summitnet, is \$2,194 each year of the 2011 biennium. The general fund appropriation for OCHE-Community College Assistance (04) provides \_\_\_\_ % of the fixed costs of education plus \_\_\_\_ % of the variable cost of education for each full-time equivalent student in fiscal year 2010 and \_\_\_\_ % of the fixed cost of education plus \_\_\_\_ % of the variable costs of education for each full-time equivalent student in fiscal year 2011. The remaining percentage of the budget must be paid from funds other than those appropriated for OCHE--Community College Assistance.”

**2. If the legislature funds resident enrollment growth based upon resident enrollment projections and requires a state general fund reversion by the community colleges if enrollment projections are not met, the following language should be included in the general appropriations act:**

“The general fund appropriation for OCHE--Community College Assistance (04) is calculated to fund education in the community colleges for an estimated 2,219 resident FTE students in both fiscal year 2010 and fiscal year 2011. If total resident FTE student enrollment in the community colleges is greater than the estimated number for the biennium, the community colleges shall serve the additional students without a state general fund contribution. If actual resident FTE student enrollment is less than the estimated number for the biennium, the community colleges shall revert general fund money to the state in accordance with 17-7-142.”

**3. The following language identifies the total estimated audit costs for all three community colleges and the state share portion that is funded in the general appropriations act:**

Total audit costs are estimated to be \$81,700 for the community colleges for the biennium. The general fund appropriation for each community college provides 49.9% of the total audit costs in the 2009 biennium. The remaining 50.1% of these costs must be paid from funds other than those appropriated for OCHE--Community College Assistance. Audit costs for the biennium may not exceed \$28,900 for Dawson, \$28,900 for Miles, and \$23,900 for Flathead Valley community college.

**17-7-142. Calculation of reversions for funded resident enrollment growth in Montana university system and community colleges.** (1) The reversion calculation in this section is effective only in those years when the legislature funds resident enrollment growth based upon resident enrollment projections and requires a reversion by the Montana university system or a community college if the resident enrollment projections are not met.

(2) The reversion must be calculated based upon the marginal funding for each resident FTE identified in the general appropriations act.

(3) The total reversion is calculated based upon the difference between the FTE resident enrollment projection and the actual FTE resident enrollment or the FTE resident enrollment projection and the prior 3-year average FTE resident enrollment, whichever is lower.

History: En. Sec. 1, Ch. 253, L. 2001; amd. Sec. 1, Ch. 23, L. 2003.

**20-15-310. Appropriation -- definitions.** (1) It is the intent of the legislature that all community college spending, other than from restricted funds, designated funds, or funds generated by an optional, voted levy, be governed by the provisions of this part and the state general appropriations act.

(2) (a) The state general fund appropriation must be determined as follows:

(i) multiply the variable cost of education per student by the full-time equivalent student count and add the budget amount for the fixed cost of education; and

(ii) multiply the total in subsection (2)(a)(i) by the state share.

(b) The variable cost of education per student, the budget amount for fixed costs, and the state share must be determined by the legislature. The state share, expressed as a percentage, and the variable cost of education per student must be specified in the appropriations act appropriating funds to the community colleges for each biennium.

(3) The student count may not include those enrolled in community service courses as defined by the board of regents.

(4) As used in this section, the following definitions apply:

(a) "Cost of education" means the actual costs incurred by the community colleges during the budget base fiscal year, as reported on the current unrestricted operating fund schedule that is statutorily required to be submitted to the commissioner of higher education, minus any reversion and one-time-only expenditures that are included.

(b) "Fixed cost of education" means that portion of the cost of education, as determined by the legislature, that is not influenced by increases or decreases in student enrollment.

(c) "Variable cost of education per student" means that portion of the cost of education, as determined by the legislature, that is subject to change as a result of increases or decreases in student enrollment, divided by the actual student enrollment during the budget base fiscal year.

History: En. Sec. 2, Ch. 495, L. 1981; amd. Sec. 1, Ch. 494, L. 1989; amd. Sec. 1, Ch. 493, L. 2007.



## Joint Appropriations Subcommittee on Education

### Proposed Amendment to Office of the Commissioner of Higher Education, Appropriation Distribution Program (09)

Amendment requested by Representative Dan Villa

Motion: "I move the addition of \$1,000,000 general fund to the Appropriation Distribution program in the 2011 biennium in the following amounts for the agencies and purposes identified below:

1. Montana Extension Service -- Local Government Center (Biennial/Restricted)  
\$300,000 [General Fund FY 2010]

2. Agricultural Experiment Station -- Sawfly Research (Biennial/Restricted)  
\$400,000 [General Fund FY 2010]

Item [2] is contingent upon passage and approval of House Bill 334.

3. Bureau of Mines -- Geothermal Research (Biennial/Restricted)  
\$300,000" [General Fund FY 2010]

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**Explanation:** This amendment adds \$1,000,000 general fund in the 2011 biennium to three of the Montana University System's research and public service agencies. Each appropriation is a line-itemed, biennial, and restricted appropriation. The amendment includes HB 2 language making the funding for the sawfly research at the Ag. Experiment Station contingent upon passage and approval of HB 334.